



July 12, 2004

The Honorable Joe Barton
Chairman
Energy and Commerce Committee
U.S. House of Representatives
Washington, D.C. 20515

The Honorable John Dingell
Ranking Member
Energy and Commerce Committee
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman and Mr. Dingell:

I understand that some Members of Congress have suggested requiring cable and satellite companies to sell basic cable networks on a channel-by-channel, or "a la carte," basis. On the surface, this idea sounds appealing, but a deeper look can only lead to the conclusion that a la carte packaging and pricing of programming would have a chilling effect on programming diversity in America.

Ethnic and minority populations in the U.S. are acutely underserved by television's current offerings, and many opinion leaders have called on media businesses to generate more channels to serve audiences of African-Americans, Hispanics, Asians, and other ethnic groups. While some progress is being made in this area, the imposition of an a la carte pricing model, I am told, should bring those efforts to a screeching halt. Networks that serve diverse, minority and multilingual interests would never have been launched in an a la carte world.

To reach the audience to which this programming is directed, cable channels need to be part of widely distributed cable or satellite tiers. Securing this kind of carriage - with the potential advertising basis it provides - allows a network to sell national advertising. This ad revenue, along with the reasonable fees our channels must charge cable companies for carriage, allows us to provide high-quality programming.

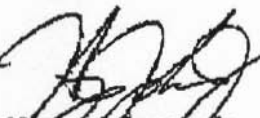
If cable and satellite companies sell channels a la carte, it would instantly erode potential advertising support, forcing networks that serve minority investments to dramatically increase the per-subscriber fee charged. Ultimately, subscribers would find themselves paying about the same amount - and possibly more - for just a handful of channels, rather than having hundreds from which to choose, as they do today.

In its comprehensive report on cable pricing released last fall, the General Accounting Office concluded: "If cable subscribers were allowed to choose networks on an a la carte basis, the economics of the cable industry could be altered, and if this were to occur, it is possible that cable rates could actually increase for some customers."

One of the great promises of cable is that with its multi-channel universe, subscribers can not only have programming designed for them, but also have the ability to share other cultures, communities, styles and viewpoints. The imposition of a la carte would drastically reduce, if not eliminate entirely, that opportunity.

A la carte is a classic case of a solution far worse than the perceived problem. Those who promote more diversity in today's media marketplace would do it a total disservice by supporting or voting for a la carte requirements.

Sincerely,



Harvey Johnson, Jr.

cc: Members of the House Energy and Commerce Committee